



# ERGP Focus Labs Monthly Newsletter

**MINISTRY OF BUDGET AND NATIONAL PLANNING**

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Welcome to the 5th Edition of the ERGP Focus Labs Newsletter, a publication that features progress on investments unlocked and projects facilitated at the Focus Labs.

## Agriculture and Transportation



### **Ahalson Ltd. Commercialises Improved Maize Seed Production**

Ahalson Ltd came into the Lab with a project aimed at enhancing the capacity of Nigerian farmers to produce 25,000 metric tons of Alfasafe treated maize which is very healthy & safe for use. Their plan was to achieve this through direct production expansion from 200 to 500 hectares as well as deploying out-grower production of 4500 hectares of land with between 4,000 to

5,000 maize farmers. Additional expansion of processing and crop cleaning facilities (70,000 MT) as well a grain milling plant (10,000 MT) was part of their detailed implementation plan, otherwise called the three feet plan.

Ahalson's annual production target was set at 25,000 MT of maize valued at N2.5 billion. The Focus Lab introduced Ahalson to off-takers, aggregators and processors. Furthermore, the Lab assisted with the development of an actionable implementation for expansion to Gombe and Adamawa States, and expanding farmer network with support from the Federal Ministry of Agriculture and Rural Development. The project was also shortlisted by the International Institute of Tropical Agriculture (IITA) for the Alfa safe Technology Transfer and Commercialisation.

Following the Lab process, Ahalson has achieved considerable progress in the implementation of their 3-foot plan and has achieved significant percentage of their target. They have been able to supply Alfa safe seeds and inputs to their 2,600 farmers, currently cultivating 3,500 hectares with five tons per hectare output. With N90,000/ton, Ahalson expects to turnover N1.6b. It currently works closely with off-takers such as Grand Cereals, Dawanau Market Association and NNFM to open up markets for these farmers. Ahalson has also gone ahead to acquire grains cleaning plant of 43,200MT/annum in order to clean maize, sorghum and sesame seeds for local and international markets.



### **Aqua Criderio opens integrated fish farms in Lagos and Akwa Ibom States**

Aqua Criderio is a large scale vertically integrated fish farm in Lagos and Akwa Ibom States. In Akwa Ibom, it is leveraging on the abandoned fishing terminal in Mbo Local Government Area. Aqua Criderio has completed a lease agreement with the Ise community where the project will be located in Lagos. The two projects are expected to create about 3,000 jobs when in full operation. As part of the package for the projects, locals grouped in cooperatives will be trained on how to own and economically run such high yield fish farms for greater economic gains. Through the support of the ERGP Implementation Unit, Aqua Criderio has gained CBN's approval of N10b loan for the projects.

Meanwhile, the Isreali partners have accepted to bring in the balance of funds needed to drive the project which total outlay is put at \$150m. Aqua Criderio is currently working out quarantine issues and the final arrangement for the foreign partners to arrive Nigeria to kick-start the project

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## **Manufacturing and Processing**



### **Nigeria's first gold refinery flagged off**

The ground breaking ceremony of the first gold refinery in Nigeria was carried out on Thursday, December 13, 2018, in Omuarogun (Mowe District) of Ogun State. The project is owned by the Kian Smith conglomerate. The Minister of Mines and Steel Development Abubakar Bawa Bwari laid the foundation stone at a ceremony witnessed by the Ogun State Commissioner for Agriculture, Adepeju Adebaji, who represented the State Governor, Senator

Ibikunle Amosun, and the Senior Special Assistant to the President on ERGP, Mr. Sani Yakubu who represented the Minister of Budget and National Planning, Senator Udoma Udo Udoma.

The event was attended by other senior representatives from the Federal Ministry of Mines and Steel Development, Ogun State Government, Private Sector Investors and other stakeholders in the mining sector. The gold refinery is expected to produce about three tonnes of 99.99% gold and one tonne of 99.99% silver per month by 2019 when the refinery becomes operational.



### **Cassava Starch Company In Ogun On Track To Doubling Production**

Following policy pronouncements to boost domestic cassava production during the ERGP Focus Lab, Harvest Feed and Agro Processing Limited in Abeokuta, Ogun State has increased its production levels by over 70 per cent. The company currently produces cassava starch with a potential to venture into other cassava value chain products in the near future. It is planning

for cassava pellets, flour, glucose, and chips. Currently working six days per week the company is producing 120 tonnes of starch (60% capacity) with a potential to produce cassava starch at full capacity annually. Harvest Feed and Agro Processing will be increasing this capacity through hiring of additional staff operators, technicians and line workers. Nigeria is known to be the largest producer of cassava in the worldwide.

At the Focus Lab session, the company had raised some issues including the implementation of Import Adjusted Tax (IAT) of 60% on imported cassava products to ensure a competitive advantage over imported starch; and the sourcing for additional funds from CBN/BOI to increase its production capacity utilization.

After the Lab, a policy draft was prepared for the implementation of 40% IAT on imported cassava products and presented to the Tariff Technical Committee (TTC). The Committee has made significant progress towards the new IAT in collaboration with the Nigerian Customs Service and it is hopeful that the Ministry of Industry, Trade and Investment will achieve Policy change early in 2019.

A visit to the plant in the second week of December, 2018 revealed that since the conclusion of the Labs and the follow-up action on the development of the IAT, the company's production has improved by close to double capacity as importers and local consumers have already started adjusting to local products in preparation for the possible implementation of the IAT.

This is vital proof that local companies are capable of ramping up production capacities and meeting up with the nations demand. At present the company has acquired more Land and invested in additional machinery. It has made progress in partnering with cassava farmers by providing tractors and trucks to convey the cassava after the harvest. The company is currently preparing the site for the expansion project.

## Power and Gas



### **Techno Oil boosts backward integration with Gas Cylinder production.**

Techno Oil, an indigenous oil and gas company, has obtained Federal Government approval for its LPG manufacturing plant at Kajola, Ibeju Lekki area of Lagos State. This is another project that derived impetus from participation in the ERGP Focus Lab. The plant has an installed production capacity of five million

high quality LPG cylinders of various sizes annually. It is currently into the production of 6kg and 12.5 kg LPG cylinders while plans are afoot to commence industrial gas cylinder production soon.

Using raw materials, including steel coil for the production of gas cylinders, the plant started with small volume production of the cylinders. However, with the granting of incentives for machines required for the construction of the plant, Techno Oil is set to reduce the importation of LPG cylinders into Nigeria, deepen the adoption of LPG usage in the country as well as the switch from firewood and kerosene to LPG which is cleaner and safer.

During a recent working visit by a Federal Government team to the LPG Gas Cylinder plant and the 12,000 ton LPG storage terminal at Kirikiri Industrial Estate, Apapa, Lagos, significant progress was noticed on the backward integration initiatives. The assembly plant is about 65 per cent completed and is expected to be ready for commissioning by second quarter 2019.

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